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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 002383

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DEPT FOR SA/INS  
NSC FOR RICHELSON

E.O. 12958: DECL: 10/31/2015

TAGS: [PREL](#) [PGOV](#) [MASS](#) [CH](#) [NP](#)

SUBJECT: CHINESE MILITARY AID TAKES PRESSURE OFF KING TO  
RECONCILE

REF: A. KATHMANDU 2327

[B](#). KATHMANDU 1912

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary

[1](#). (C) Chief of Army Staff (COAS) General Thapa announced on October 24 that China had committed about 1 million USD for military assistance to Nepal this year, noting that more assistance would follow next year. The Ambassador publicly (septel) and privately (ref A) cautioned that, while Nepal had the right as a sovereign country to purchase weapons for self-protection, military aid from China could take pressure off the King to reconcile with the political parties, a precondition for democratic countries (U.S., U.K, and India) to resume supplying lethal weapons to Nepal. End summary.

COAS Thapa's visit to China Yields Military Assistance to Nepal

[2](#). (U) COAS Thapa returned from a week long visit to China on October 24 and told reporters that China had committed 8 million yuan (989,000 USD) for military assistance to Nepal. He said, "We have decided to buy our military equipment from China." He noted that China had "agreed to provide similar assistance next year" as well. Thapa's visit to China at the invitation of the Chinese People's Army followed Foreign Minister Pandey's visit in August in which he secured USD 12 million in untied assistance (ref B).

Ambassador's Remarks on China Assistance Front Paged

[3](#). (U) Answering a question regarding Chinese military assistance at a press conference organized by the Federation of Nepali Journalists in Butwal in the Western terai on October 26, the Ambassador said that while a sovereign country had the right to buy weapons to protect itself, Chinese military assistance to Nepal was worrying if it took pressure off of the King to reach out to political parties. The Himalayan Times put the Ambassador's comments on the front page in an article titled "Moriarty objects to Chinese military aid." The article noted that the Ambassador had reiterated America's stand that "it would halt all military assistance to Nepal until the reinstatement of democracy." It also quoted the Ambassador as saying the U.S. would provide as much help as required for the reinstatement of democracy.

VC Giri Publicly Lashes Out Against Ambassador Over China Comments

[4](#). (U) On October 30 at a "Peace Rally" in the terai town of Gaur (in UML Leader M.K. Nepal's home district), Vice Chairman Giri lashed out at the Ambassador. Giri asserted that the Ambassador was "irritated" at the arms and financial assistance Nepal would be getting from China and therefore was criticizing the government. He added that "statements being given by the American Ambassador against us won't affect the present government." He noted that Nepal could solve its own problems. He continued, "I can confidently say that the development of Nepal is possible as imagined by the King through his proclamation of February 1." He argued that the government could not "digest the intervention of foreign countries in Nepal's matters" and charged the international community with backing anti-government civil society activists.

Embassy Clarifies Ambassador's Remarks

[5](#). (C) On October 31, the DCM clarified to the Acting Foreign Secretary Shrestha the Ambassador's public comments regarding

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Nepali arms purchases from China. She explained that the Ambassador had said that while Nepal had the right to buy weapons from any source for its own defense, the U.S. was

concerned about recent reports about large Chinese arms sales to Nepal. The Ambassador had stressed that the U.S. believed it was critical for Nepal's legitimate forces to unite, and for the King to take the first step toward reconciliation with the political parties for that purpose. The Ambassador worried that HMGN might believe that large arms purchase would eliminate the need for reconciliation. The DCM noted that the Ambassador's comments as described above represented the exact views of the U.S. government.

Japanese Concerned  
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16. (C) In a meeting with Japanese Ambassador Tsutomu Hiraoka on October 25, the Ambassador commented that Thapa's visit to China and Pandey's visit to Russia were His Majesty's Government of Nepal's attempt to show that it had alternatives to traditional close ties with democratic countries. The Ambassador explained that he had cautioned Vice Chairman Giri (ref A) about the international reaction to a Nepal that allied itself with undemocratic countries. Hiraoka asked if the U.S. would now reconsider military assistance to Nepal. The Ambassador replied that Chinese military assistance took the pressure off of the King to reconcile with the parties, a precondition for the U.S. to consider resuming military aid. The Ambassador noted that Nepalis believed that, though not as good as American M-16s, the Chinese-made AK-47s were better than Indian INSAS rifles. Therefore, if the army had enough Chinese weapons it would also be less likely to pressure the King to reach out to the parties. He acknowledged that new suppliers were a predictable outcome of the suspension of assistance by traditional suppliers. He added that India, as Nepal's largest traditional arms supplier, and the country with the most influence in Nepal should also react strongly to China's weapon shipments. Hiraoka remarked that it was very difficult to try to convince the King to do the right thing, though he said Tokyo was asking for ideas. The Ambassador suggested that Japan continue to express its concerns to HMGN and continue to push the King to reach out to the parties.

Comment  
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17. (C) The Ambassador's public comments cautioning HMGN from isolating itself and becoming an international pariah struck a sensitive chord. HMGN's initial reaction has been to lash out against the Ambassador, however, we hope that we have sparked a debate within the government about the dangers of self-isolation.  
MORIARTY